

**Alaska Energy Cost Reduction Program
Progress Report**

Grantee: Alaska Power Company (a/k/a Alaska Power and Telephone Company)

Project Name: Tok-Chistochina Regional Intertie Project (Denali)

Grant # 0116-DC-2004-I4

Period of Report: Second Quarter 2004 (April 1 to June 30, 2004)

Project activities completed:

Mentasta Road Three-Phase Upgrade

Right-of-way clearing is 75% complete.

Four and 7/10 miles of cross arms and insulators have been installed. Four miles of conductor have been pulled-in, sagged and clipped.

Mentasta Three-Phase Line Extension

Received written easement permission from AHTNA to stay within existing road and CVTC easements.

Received utility easement permit from B.I.A.

To conceal the power line behind the tree line for minimal impact upon the aesthetic beauty of the land, an alternate route discussion with the private landowner continues.

Major materials for first stage have been delivered on site

Slana Distribution System

Forestry and DNR gave us verbal permission to proceed

Copies of deeds and easement right-of-way to private property are starting to come into the Tok Office.

Received verbal permission from Habitat Management & Permitting to cross Ahtel Creek and Slana River – awaiting hard copy

Correspondence has taken place with Historical and Archeological regarding historical sites.

Major materials for first stage have been delivered on site

Power plant module construction began, scheduled to ship by 15 October 04

Project existing or potential problems:

Mentasta Road Three-Phase Upgrade

Possible delays due to extremely dry conditions and resulting forest fire potential.

Mentasta Three-Phase Line Extension

Possible delays due to extremely dry conditions and resulting forest fire potential.

Slana Distribution System

BLM / NPS requiring environmental assessments to be conducted

National Park Service (NPS) wanting all our primary line in close proximity to NPS property to be underground

Possible delays due to extremely dry conditions and resulting forest fire potential.

Activities targeted for Next Reporting Period, Third Quarter 2004:

Mentasta Road Three-Phase Upgrade

Completion of the line up-grade is expected within a few weeks.

Mentasta Three-Phase Line Extension

Final line route determination made.

Route flagged and ROW cleared.

Power line construction completed.

Slana Distribution System

Power plant pad preparation completed

Installation of substation

Construction of line from the school to Midway Services

Permits received from all agencies.

Flagging of primary power line route.

A town meeting held with the area residents.

Flagging of secondary lines with property owners.

Start the delivery of construction materials to the selected staging site.